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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Yugoslavia	REPORT		
SUBJECT	Probable Yugoslav Reaction to Genuine Offer of Reconciliation	DATE DISTR.	1 Oct. 1954	
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.

THE APPRAISAL OF CONTENT IS TENTATIVE.

(FOR KEY SEE REVERSE)

- 1. While no Soviet offer of reconciliation with Yugoslavia could have been made during Stalin's lifetime, there is every possibility that one might be made in the future and, if made, that Yugoslavia would accept it. To a certain extent, the Yugoslavs have already indicated what their future line would be; the Foreign Office always talks of Yugoslav desires to live in peace with all the world, not to be tied up with any particular bloc, and to exert every effort to "normalize" her relations with the eastern nations of Europe. She has not been threatened by withdrawal of Western friendship in retaliation for any such resumption of relations with the Orbit and, in fact, it seems much more probable that the Yugoslavs believe that an offer from Moscow would increase offers from Washington.
- 2. Although there has been so far a fair measure of reconciliation with the Kremlin (exchange of ambassadors with certain Orbit countries, talks on the Danube agreement, trade talks, etc.) mostly initiated by the Kremlin, Tito himself last winter pointed out "the exchange of ambassadors and other diplomatic niceties does not constitute normalization of relations, only normalization of procedures." If a further reconciliation than already exists were to ensue, a press and propaganda campaign within Yugoslavia would be required to put over the new line vis-a-vis the Kremlin. The Yugoslav Government would also have to face such factors as (a) the almost immediate end of Western economic and military assistance; (b) the need for a series of checks and blocks to prevent incoming Soviet military, political, or economic agents for "subverting" or infiltrating the Yugoslav regime; and (c) the need for

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	reiterating Yugoslav claims of her desire for peace, the support of all nationalistic aspirations, and the abhorrence of "aggression".	
3•	Finally, although this does not seem particularly significant at the moment, the Soviet military attache in Yugoslavia is reported to have considerable freedom to circulate about the country; in the estimation of Source, the true indication of a real rapprochement with the Kremlin would be, first of all, a sharp limitation on the activities of the U.S. Military Assistance Group, followed by Soviet military aid and advice.	
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